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C O N F I D E N T I A L SECTION 01 OF 02 DHAKA 004658

SIPDIS

STATE FOR USTR

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TAGS: [PREL](#) [CASC](#) [ELAB](#) [PHUM](#) [BG](#)

SUBJECT: CHARGE CONVOKED FOR AMCHAM REMARKS

REF: DHAKA 04601

Classified By: A/DCM D.C. McCullough, reason para 1.4 b.

11. (C) Summary. MFA convoked Charge to object to the timing and substance of her well-publicized remarks to the American Chamber of Commerce on current, mainly economic, trends in Bangladesh. Her references to corruption, the impact of violence on investment, and the need for political parties and government to cooperate for a successful election are nothing new from U.S. officials and others, Charge replied. She in turn raised USG concerns about the BDG's repeated failure to notify us of detained Americans and the recent beating by RAB of a US citizen. She also flagged as an important issue BEPZA's reported obstruction of a potentially landmark agreement between workers and management at an EPZ factory with major labor unrest. End Summary.

12. (SBU) On September 15, MFA Americas DG Shameen Ahsan convoked Charge to discuss her September 12 address to the 110 mostly businesspersons at the September monthly luncheon of the American Chamber of Commerce in Bangladesh. Emboff (notetaker) accompanied.

13. (C) Ahsan noted that Bangladeshi media gave extensive coverage to Charge's speech, and her "unusual" remarks on corruption, governance, alleged references to Bangladesh as a failed state, and the possibility that the next general election might be problematic. Bangladesh, he stated, has had three successful elections, and questions about the process should be raised in parliament. "Voices outside of parliament do not meet the standards of concern." He also complained that Charge's speech occurred when PM Zia was abroad and on the verge of her meeting with Secretary Rice in New York.

14. (C) Charge responded that some headlines had badly mischaracterized her remarks, and that she had signed this morning a letter of complaint to a newspaper that falsely reported she described Bangladesh as a failed, violent state.

What she actually said was the BDG should address governance, security, and other impediments to investment and concerns by some about Bangladesh's stability and security. On corruption and elections, she said nothing that has not been said previously by US and other officials, including her hope appeal to political parties to participate in the electoral process and for the government to ensure a conducive democratic environment.

15. (C) Charge then raised USG deep concerns over the beating of an American citizen by the Rapid Action Battalion (reftel) and over the continuing failure of Bangladeshi law enforcement officials to provide us with consular notification when an American is detained. Ahsan replied that U.S. law enforcement officials are not providing consular notification for arrested Bangladeshis. Asked if this meant the BDG was not notifying us of detained Americans as a matter of reciprocity, Ahsan replied this was not the case. He claimed the MFA has raised the issue many times with the Home Ministry, and hoped the Embassy would again follow up directly with Home Minister of State Babar.

16. (C) Charge also flagged for Ahsan a developing problem in the Dhaka Export Processing Zone (EPZ) which could damage Bangladesh's reputation to foreign buyers and raise new concerns about labor rights. On September 12, she noted, the Taiwanese-owned Ringshine LTG ready-made garment factory came to a potentially landmark agreement with workers to resolve serious issues arising from the factory's implementation of the EPZ labor law and its alleged persecution of workers and members of its Worker Representation Welfare Committee. The agreement followed the arrival in Dhaka of representatives of a major Spanish buyer who threatened to pull its orders from Ringshine and perhaps Bangladesh. Part of the agreement includes worker and management training by the BDG, the ILO, and the USAID-funded Solidarity Center (SC). Unfortunately, Charge said, the Bangladesh Export Processing Zone (BEPZA), which administers the EPZ's for the BDG, is apparently trying to block the agreement by blocking the training, due to start on September 19, and in particular SC's role in the training. BEPZA is also reportedly maintaining sanctions against Ringshine workers rehired and exonerated by management of wrongdoing.

17. (C) Ahsan took the points, but raised doubts about the impartiality of Solidarity Center. Many EPZ investors, he stated, have told BEPZA that SC fuels labor unrest.

18. (C) Comment: Charge's AmCham speech covered broad but familiar ground on economic and political issues. On September 14, Parliamentary Speaker Sircar criticized the speech as "unusual" and urged the MFA to pursue the matter with the State Department. MFA can now say it did its job. The atmosphere at the meeting was professional and cordial.
CHAMMAS